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views, this area may be increased. There is a field of real disagreement, and here only one of the theories can be correct. The test that has to be made of them does not extend to an estimate of their value. It may be that the one that is the less correct may be scientifically the more fruitful.

JOHN BATES CLARK.

RABBENO'S AMERICAN COMMERCIAL POLICY.

PROFESSOR RABBENO'S book* appeared in Italy in 1893, under the title *Protezionismo Americano*, and has thus been before the public for several years. The English translation, however, now brings it within reach of a much larger number of interested readers, especially in the country whose commercial policy it discusses. The fresh appeal thus made for the attention of the English-speaking public renders it appropriate to give some account of the contents of the book and some estimate of its value.

There is always a gain in objectiveness when political and economic questions are approached by a foreigner; and in the present case the gain is made the more distinct by the qualities of the foreign observer. Professor Rabbeno belongs to what it is the fashion to call the historical school. At all events, he has no great faith in general principles one way or the other; has no enthusiasm, hardly a predilection, for either protection or free trade; is willing to admit that one system or the other may be advantageous in different periods; and is chiefly interested in the connection of a protective policy with the general industrial development of a country. Hence in this series of essays he sets an example of unbiased discussion which may be warmly commended, and which will certainly

* *The American Commercial Policy. Three Historical Essays.* By Ugo Rabbeno, Professor of Political Economy in the University of Modena. London and New York: Macmillan & Co.

be welcomed by the enlarged circle of readers now reached by the English version. Whether or no his specific conclusions are accepted, the temper in which he approaches them is admirable. In general, the book is fair, reasonable, and accurate; and the reader who got his information from this source alone would have, on the whole, a very just conception of the history of the tariff controversy in the United States.

Not only is Professor Rabbeno cool and judicial: he is also careful and complete. Living as he does at a great distance from the country whose history he investigates, he has been compelled to rely very largely on second-hand sources of information. But these he has examined with painstaking industry, and with surprising success in keeping clear of errors of fact. All the accessible sources he has examined with care; and such occasional inaccuracies as appear, are to be ascribed to the ill-digested volumes from which he has often had to draw his information.

Further, this book is the only one which endeavors to present a complete view of the whole course of protection in this country. Beginning with the colonial period, it examines the policy of England towards the colonies, the effects of the mercantile system, and the legislation of the colonies themselves. Then comes the tariff history of the United States since 1789; and, in conclusion, an examination of the theory of protection as set forth by American writers. This last takes the form of a series of essays on the four writers who are supposed to present theories characteristically American,—Alexander Hamilton, Frederic List, Henry C. Carey, and, in our own day, Professor Patten.

Thus we have a broad view of all aspects of the subject. In fact, the view is too broad. A good part of the matter in the first and third parts of the book hangs but loosely to its proper subject. There is an extended discussion of the character and justification of the mercantile system, which might find a place as well in the tariff history of any other country, and which adds nothing to what has been said on this topic in very familiar books. In the essay on Hamilton there is a similar extended discussion of Hamilton's financial views,

which are indeed connected with his opinions on protection, but not so intimately as to warrant this long digression. The entire essay on List hardly belongs in the volume; for, though List wrote a significant early essay on American conditions, his distinctive place in the history of economic thought and his real influence are to be found in Germany. And even in those parts of Professor Rabbeno's volume which are not subject to any reproach of direct digression there is repetition and liberal reaching out. The besetting temptation of the professor, to expand freely and to exhibit large stores of thought and knowledge, has not been fully resisted. Even the complete survey of American protection which he endeavors to give might have been advantageously presented in smaller space.

At the close of every such volume the reader asks himself what are its main lessons, and what is its contribution to the general principles of economics; what its answer as to the good or ill effect of a protective policy, and what its conclusion as to the position of such a policy in the theory of economics at large. Professor Rabbeno's results on these fundamental questions are characteristic of a trend of thought now much in vogue in Italy; and, in the opinion of the present writer, they are the least successful parts of his work. The varying periods of protection and free trade in the United States, he finds, are the consequences of the struggles and bargains of the dominant classes,—the capitalists and land-owners. The prosperity of the community at large enters into them but little. The tariff controversy is connected mainly with the selfish desires of the ruling industrial powers, and will continue fruitlessly until, in course of time, with the evolution of some better economic and social system, the whole question of free trade or protection disappears of itself.

Just what is the nature of the treatment which Professor Rabbeno thus adopts will appear more clearly if we consider in detail some of his conclusions as to specific periods in American tariff history. An earlier period, 1807–30, is described, accurately enough, as one of transition from the domestic to the capitalistic system of industry. But it is also

described as a period during which the capitalists, finding labor scarce, land free, and wages high, resorted to protection as a means of lowering wages and fettering workmen; the protective policy being thus a species of machination of the capitalist class. It is pointed out, to be sure, on the lines of the familiar young industries argument, that this policy led to industrial progress and to more effective methods of production. But its adoption is supposed to have sprung from the selfish pressure of the capitalist class. This version of the case it would be impossible to support by contemporary evidence. No doubt it is true that the efforts of the producers who get benefit from protective duties always have a large share in bringing about their adoption. But the abiding force that led to the protective tariff legislation of the period between 1816 and 1832, was the belief of a large majority of the people in the Northern States, irrespective of classes, that such legislation would benefit the community as a whole. Whether or no this belief was well founded, it was the force on which the protective movement rested, and without which pressure from the manufacturers directly engaged in protected industries would have availed little. As to pressure from capitalists as a body, there simply was none. Here, and indeed throughout Professor Rabbeno's speculations on these general topics, capitalism and capitalists are spoken of as if all such persons were banded together, pursuing a common aim and exercising unitedly a single pressure on legislation. So far as tariff history is concerned, this is a myth. There never was an organization, conscious or unconscious, of the capitalists at large, with a view to modifying the tariff in one direction or another; and to explain the varying current of legislation by reference to such class influence is, in the opinion of the present writer, to simplify history at the expense of truth.

The same objection may be urged even more strongly against the interpretation of later events from the play of conflicting social forces. In 1830-60, we are told, free trade was adopted as "a compensation to the agrarian interests"; *i.e.*, to the South, where the laborers were slaves. Capitalists, in general, no longer needed protection, and therefore assented to the concession of free trade to the landed interest.

Here, again, we have the suggestion of a bargain between the capitalists as a body and the land-owners as a body,—a version curiously at variance with the diversity of occupations and interests among the capitalists of the North, and the enormous gap between the slave-holders of the South and the great farming population of the North. The facts of the case are much less simple, yet in no way mysterious. The ups and downs of political parties; the long rule of the Democratic party, and the supremacy of the South within it, during the generation preceding the Civil War; the decline of the popular feeling for protection in the North; the slavery question pushing the tariff into the background; not free trade at all, but a period of moderated protection, beginning only with 1846,—these are the complex facts, not easily conformable to any large social speculation, and illustrating rather the irregularity than the simplicity of the play of economic and social forces.

A still more fanciful use is made of the supposition of united action by the capitalist and land-owning bodies, when the Civil War is explained as “a desperate effort on the part of the capitalists to subdue free trade and slavery, that increased the land rent, which in its rapid development began to undermine the profits of capital.” This, so far from describing “the most probable cause of the war,” is curiously at variance with the real situation. If there was any consensus of opinion and pressure among the capitalists of the North, it was in favor of compromise and of avoiding the war; while the land-owners might be accurately described, not as a united body fighting in behalf of rent, but as divided into two great hostile camps, North and South, struggling for the unoccupied territory of the West.

Less obviously distorted, and yet as little true to the facts of the case, is the explanation given of the maintenance of protection during the period that followed the Civil War. The cause of the long high-tariff régime lies, we are told, in the throes of capitalism, in its endeavor to escape from the consequences of excessive accumulation. This has led to excessive production, to chronic depression, to combinations and trusts as means of keeping up profits, and lastly to protection for the same end. Here is a tempting generalization; but how much

of it would remain after a detailed examination of the course of tariff legislation from 1865 to 1894? Those who regard protective duties as devices solely for transferring money from one man's pocket into another's will doubtless go a good way with Professor Rabbeno; and those who look upon our customs acts as simply a series of cunning manipulations of legislation in the interest of designing manufacturers will believe him to be in the right as to the source which has controlled legislation. Heaven knows that there has been enough of interested pressure and wrongful profit. But it has certainly not been the capitalist class as a body that has exercised the pressure; nor has patriotic spirit or popular support been lacking among the protectionists. Cause and effect are inverted in Professor Rabbeno's interpretation. It is the existence of a strong public opinion in favor of protection that has enabled private interests to secure their gains, not the pressure of private interest which has established the protective system.

How the public opinion on which the protective system has rested was begun and maintained, may not be easy to explain in simple terms. The accidents of history, the upheaval of the Civil War, the unexpected turns and incongruous results of party politics,—these may explain some parts of our recent tariff history. The natural predilection of the average man for what is supposed to be more especially "native" industry, and the difficulty in following the reasoning which has led most economists to adhere to the general principle of free trade, are also to be considered. Some substantial benefits from protection, real though exaggerated, have played their part. It is tempting to find large explanations for large phenomena, and to apply a general philosophy of history to a great sweep of events; and there is a disappointing air of giving the problem up, when we can only refer to several disconnected causes for the explanation of such an apparently simple phenomenon as the thirty years of high protection in the United States. But it is doubtful if the facts justify any larger speculations. Here, as in other parts of economic history, we find, at all events in the present state of our knowledge, so much that is irregular and irreducible to law that we must be sceptical as to any sweeping philosophy.

Certainly, it is difficult to find in the tariff history of the past generation evidence of "a gigantic struggle between capitalism and landed property, between profits and rent." Such a struggle Professor Rabbeno thinks he discerns. The Republicans are the protectionists, standing for capitalism, while the Democrats are the free-traders, standing for the landed interest, both being indifferent at bottom to the laborers. This interpretation could hardly occur to any one but a foreigner, for whom the twists and turns of American politics must be almost impossible to follow. It is conceivable (to refer to another of our author's generalizations) that the rapid accumulation of capital and the increasing intensity of domestic competition may have had their share in bringing about both the drift to consolidation and monopoly, and the recurring demand for protection against foreign competitors. But the vast struggle between profits and rent is surely a myth, and the maintenance of protective policy does not have its chief significance in any deep vortex of social forces.

The source of these larger speculations is not far to seek. Professor Rabbeno, in an inaugural address delivered on assuming the chair of economics at the University of Modena, professed himself a disciple of his distinguished associate in Padua, Professor Loria. That eminent scholar has set the example both of bold generalizations in economic history and of the application of some large theorems to the explanation of American economic history. The marks of his influence are to be seen in the general trend of Professor Rabbeno's reasoning on questions of principle, and appear even more clearly in those speculations on the social significance of American tariff history which have been commented on in the preceding paragraphs. The boldness and brilliancy of Professor Loria's work, and the suggestiveness and ingenuity of his generalizations, not unnaturally tempt to emulation. But it may be doubted whether the keys to the understanding of the industrial development of the United States have been found by either the leader or the disciple. Soberly considered, the facts are intricate, and show the action of divergent and irregular forces. They justify few of the sweeping generalizations which underlie the discussion of the two Italian philosophers.

It would appear, therefore, that, as to the fundamental problems of international trade, and so of free trade and protection, we gain little from the present volume. The essence of the author's attitude towards the protective controversy is that it presents only a phase of a larger social struggle; and for this general result the facts, soberly and attentively considered, give no warrant. Doubtless, the question of free trade or protection often touches social questions. It did so in the corn-law battle in England, and in the position of the slaveholding South in the United States. It does so in the agrarian agitation which has appeared in Germany in our own day. But, in the main, the controversy is concerned with the production of wealth rather than with its distribution; with the direction which the productive forces of a country as a whole shall take, rather than with the share in the general output which shall go to one or another of the social classes. It is from the first point of view that we are likely to get the most instructive and workable results from investigations of tariff history. This is not the point of view taken, in the main, by Professor Rabbeno; and hence, in the opinion of the present writer, he has contributed little to the essential philosophy of the subject.

F. W. TAUSSIG.

PROFESSOR BÖHM-BAWERK'S contributions to the columns of this journal, in answer to American critics of the positive theory of capital, have been interrupted by his temporary assumption of the office of minister of finance in Austria. A political crisis in that country led to the formation of a ministry, composed of officials standing outside the parliamentary circle, in whose hands the conduct of affairs was put during a period of deliberation and uncertainty. We understand that the service with which the distinguished economist was then honored has come to an end, and that further contributions from his pen to the literature of his subject may again be looked for.

DR. J. H. HOLLANDER, of Johns Hopkins University, proposes to edit for the British Economic Association the correspondence of Ricardo with J. R. McCulloch, and with Hutchens Trower, a London stock broker and Surrey landowner. There are some fifty letters to McCulloch, and some twenty-five to Trower. Dr. Hollander would be glad to hear of other letters of Ricardo's in private hands.

AMONG recent and forthcoming publications we note a number of new books and new editions which will interest the student of economics. Professor Giddings promises *The Principles of Sociology*; Professor Clark, *The Distribution of Wealth*, in two volumes; Professor Seligman a volume of *Essays in Taxation*; Professor Henry C. Adams, *The Science of Finance*; while Professor Bascom has published his *Social Theory*.

A second revised edition has been published of Professor Bastable's *Public Finance*. A third and also revised edition of the first volume of Professor Marshall's *Principles*

of *Economics* is in press, and may be expected shortly. Professor Sidgwick has in preparation a third edition of his *Principles of Political Economy*; and Professor Philippovich has similarly in preparation a new edition of his *Grundriss der politischen Oekonomie*.

THE first number of the *American Journal of Sociology* appeared in July of the current year, the second in September. Six numbers a year are promised. The *Journal*, it is announced, will not be the "organ" of any school of sociological opinion; and the first issue states that "the cardinal principle of editorial policy will be insistence that the relation of details to the whole plexus of societary activities, past, present, and future, shall be the fundamental consideration in all the contents of the *Journal*." Professor Albion W. Small is editor; and the second number prints a list of advising editors, American and foreign. The *Journal* is published by the University of Chicago; and subscriptions (\$2.00 a year for the United States, \$2.50 for foreign countries) should be sent to the University of Chicago Press.

THE resignation of Professor E. W. Bemis from the University of Chicago has been the occasion of abundant comment in the public press, and of some sober reflection in academic circles. It has been freely stated that Professor Bemis's resignation was asked for because his views on some questions were not acceptable to the authorities of the university, and, more especially, were obnoxious to rich men who had given generously to the institution. His opinions on the policy of municipal ownership or control of public works, on the evils of private management, and on the expediency of encouraging labor organizations,—opinions which were avowed freely before and after the assumption of his post at Chicago,—are now alleged to have proved objectionable to benefactors of the university, and so to have led to his virtual dismissal.

To these statements President Harper, at a public function on the first of October, made a strong and explicit denial. In the University of Chicago "there has never been an occasion for condemning the utterance of any professor on any subject, nor has objection been taken in any case to the teachings of a professor." There have been occasions when the President deemed it wise to consider the methods of a given instructor, but "in reference to particular teachings" no interference has been attempted. Further, no donor has ever sought "by word or act, directly or indirectly, to control or influence the policy of the university in reference to the teachings of its professors in the departments of political economy, history, political science, or sociology." And, lastly, this strong statement is made by way of emphasizing the policy that "in a university, as distinguished from a college," there should be "the largest possible freedom of teaching."

Such an explicit statement might be expected to set in satisfactory light those aspects of the case with which the public has a right to concern itself. It may indeed be remarked that there can hardly be any solid ground, under the existing conditions of higher education in the United States, for the suggested distinction, in the matter of academic freedom of utterance, between college and university; and that it is not clear how much is covered by this qualification of the general principle. But, so far as the particular case is concerned, the denial of the charge is certainly meant to be explicit, and the whole matter is expected to be definitively set at rest.

Unfortunately, Professor Bemis still believes that he has reasons for a different understanding of the case, and has given to the public a statement of those reasons. He still believes that his withdrawal from the university was caused by the opinions he has professed. In a statement given to the press, he quotes from a letter of President Harper's, which speaks of "peculiar circumstances here" and the "environment" in Chicago, and is supposed by Professor Bemis to point to his specific teachings. He quotes from another letter in which President Harper, referring to a public address by Professor Bemis, proposes that "during the remainder of your connection with the university you

exercise great care in public utterances about questions that are agitating the minds of the people." In conversation President Harper is alleged to have spoken favorably of Professor Bemis's academic work, but to have remarked that "the general situation is against you here." The accuracy of recollections of oral statements, however, must always be uncertain; and a different version may come from the other side without conscious misstatement of the facts by either party to the conversation.

Here, somewhat inconclusively, it would seem that the matter will rest. Two men, equally entitled to credence, have very different understandings of the mode in which a subject all-important in their relations to each other has been treated in conversation and in correspondence. It may be hoped, at least, as the outcome of the whole, that the vital principle of academic freedom, on which both speak with equally unflinching tone, may not again need to be affirmed at the University of Chicago, or at any college or university in any quarter.